

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Department of Industry, Science, Energy and Resources

Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery Levy) Bill 2021
[Provisions] and Treasury Laws Amendment (Laminaria and Corallina Decommissioning Cost
Recovery Levy) Bill 2021 [Provisions]

8 November 2021

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Offshore Oil and Gas Facilities Decommissioning Costs

REFERENCE: Written

QUESTION No.: 10

The total cost of decommissioning offshore oil and gas facilities in Australia is estimated to be about \$50 billion. Have you done any modelling about the jobs and economic activity this will create in Australia? Or is this planned? Has any work been done to ensure that Australia can benefit economically from this significant spending?

ANSWER

No. The Department of Industry, Science, Energy and Resources is not currently undertaking work to model jobs and economic activity relating to the future decommissioning of offshore oil and gas facilities.

The Oil, Gas and Energy Resources Growth Centre, National Energy Resources Australia (NERA), is part-funded by the Australian Government. NERA commissioned 'A Baseline Assessment of Australia's Offshore Oil and Gas Decommissioning Liability' and in March 2021 it released the Executive Summary of the assessment. The study found the cost of future decommissioning work to be approximately USD\$40.5 billion. NERA has subsequently established the Centre of Decommissioning Australia (CODA) to take this work forward.

CODA has been established to grow capability and capacity to service Australia's decommissioning needs and capture work in the Asia-Pacific market that could create thousands of jobs and generate economic growth for the nation. CODA is undertaking further studies into:

- Understanding the opportunity for local disposal and recycling pathways
- Development of a decommissioning innovation and technology roadmap
- Global review of decommissioning planning and execution learnings

These studies should help better understand the jobs and economic activity this will create in Australia and to ensure that Australia can benefit economically from this significant spending.